



United States Department of Agriculture
Food and Nutrition Service

Southeast Region

Reply to

March 28, 2000

Attn. of: SA 9-3 General

Subject: Policy Memorandum 225-07.07: Targeted State Agency Reviews of Sponsors and Sites in the Summer Food Service Program (SFSP)

To: All State SFSP Directors
Southeast Region

This memorandum provides additional guidance on changes to the State agency review requirements for SFSP sponsors and sites that were contained in §225.7(d)(2)(ii) of the SFSP final rule, "Program Meal Service During the School Year, Paperwork Reduction, and Targeted State Monitoring", published in the *Federal Register* on December 29, 1999. The provisions of the rule became effective on January 28, 2000, and they supersede the waiver requirements contained in SFSP policy memorandum 225.07-02, *State Agency Monitoring Requirements*. This replaces SFSP policy memorandum 225.07-02. Please remove the 225.07-02 memorandum on this topic issued on March 12, 1998, revised on December 10, 1998, and insert this memorandum.

Attached you will find suggested instructions for how to compile a review list using these new requirements, and a sample list of data from a State agency, that was created using these instructions. We have also included some questions and answers below to further assist State agencies in fully understanding these changes and how they will impact State agency review cycles of SFSP sponsors and their sites.

What are the new requirements?

The final rule requires that State agencies:

- conduct a review of every new sponsor at least once during the first year of operation,
- annually review every sponsor which experienced significant operational problems in the prior year,
- review each sponsor at least once every three years,
- annually review a number of sponsors whose program reimbursements, in the aggregate, accounted for at least one-half of the total program meal reimbursements in the State in the prior year, and
- as part of each sponsor review, conduct reviews of at least 10 percent of each sponsor's sites, or one site, whichever number is greater.

Furthermore, sponsors with large numbers of sites, or a site with a large number of children attending, should be reviewed earlier than sponsors with few sites or a site with fewer children.

What is meant by “the total program meal reimbursement in the State in the prior year” in §225.7(d)(2)(ii)(B)?

This total refers to the cumulative dollar amount of meal reimbursements that was claimed by all sponsors who participated in the SFSP in the prior year and who are participating in the current year. For future reference, we will refer to this total as the “cumulative meal reimbursement total” or “cumulative total”.

As the final rule indicates, this total does not include projected figures from sponsors which did not participate in the SFSP in the prior year.

What is the “50 percent threshold”?

Section 225.7(d)(2)(ii)(B) requires State agencies to annually review a number of sponsors whose program reimbursements, in the aggregate, accounted for at least one-half of the total program meal reimbursements in the State in the prior year (see previous question). We will be using the term, “50 percent threshold”, to explain this requirement throughout this document.

A sponsor is already being reviewed because it experienced a significant operational problem in the prior year. Should the amount the sponsor earned in meal reimbursement be included in the cumulative meal reimbursement total?

Yes.

We hope you find this information useful in understanding these changes. Please contact our office should you have any questions regarding these revised requirements.

CHARLIE SIMMONS
Regional Director
Special Nutrition Programs

Attachments

Determining Sponsors to Review to Meet Fifty-Percent Threshold

- Step 1.** Calculate the cumulative meal reimbursement total for the State in the prior year*. Subtract out any sponsors who participated last year but will not be participating in the current year.
- Step 2.** Divide the cumulative meal reimbursement total (above) by 2 to get the 50% threshold value.
- Step 3.** From your master list of sponsors, identify required reviews for all sponsors which have not been reviewed during the previous 2 program years and all sponsors which have experienced significant operational deficiencies in the prior year.
- Step 4.** Calculate the dollar value of the claim for reimbursement in the prior year for the sponsors in Step 3.
- Step 5.** Compare the dollar value in Step 4 to the 50% threshold value in Step 2. If the dollar value in Step 4 is less than the 50% threshold value in Step 2, select additional sponsors to review until the 50% threshold is reached, or exceeded. Sponsors with large number of sites, or a site with many children attending, should be reviewed earlier than sponsors with fewer sites or a site with fewer children.
- Step 6.** At the end of the review cycle, update the master list to show which sponsors were reviewed. Remove the “new” sponsor designation for sponsors which have now completed their first year of operations.

*New sponsors (those sponsors which did not participate in the SFSP in the prior year) are not considered in calculating the cumulative total.

**State Agency Sample Master List
SFSP 2000**

sponsor name and/or agreement # (represented by a name and number for purposes of this sample)	\$ amount claimed for reimbursement in 1999	total # of sites	# of sites required to review (10% total # of sites, or 1, whichever is greater)	new sponsor	deficiencies noted during most recent review	year of most recent review
Bob (1)	650,264	129	13	no	no	1998
N. Norma Nugent (2)	232,611	18	2	no	yes	1999
Mary (3)	119,506	27	3	no	no	1999
Eunice (4)	113,888	34	4	no	yes	1999
Hanna Hughs (5)	43,168	2	1	no	no	1998
Abington (6)	82,969	23	3	no	no	1997
Zena (7)	77,791	6	1	no	no	1997
Carrie (8)	79,825	16	2	no	no	1999
Diana (9)	75,412	9	1	no	no	1999
Jenson (10)	66,008	11	2	no	no	1997
Calvin Crew (11)	69,001	18	2	no	no	1999
Stacia Sylvan (12)	60,367	19	2	no	no	1999
Sarah (13)	49,151	11	2	no	no	1999
Yolanda Y. (14)	34,534	20	2	no	yes	1999
Tina (15)	38,137	8	1	no	no	1999
Foshko (16)	37,509	1	1	no	no	1997
Yuri (17)	37,700	1	1	no	no	1997
Quiet (18)	31,022	10	1	no	no	1999
Javier J. Juno (19)	29,248	18	2	no	no	1999

sponsor name and/or agreement # (represented by a name and number for purposes of this sample)	\$ amount claimed for reimbursement in 1999	total # of sites	# of sites required to review (10% total # of sites, or 1, whichever is greater)	new sponsor	deficiencies noted during most recent review	year of most recent review
Gloria (20)	32,325	4	1	no	yes	1999
A. Ariele A. Andrews (21)	29,917	1	1	no	no	1998
Jean Jacoby (22)	32,592	3	1	no	no	1997
Orville (23)	26,725	18	2	no	no	1998
Armani A. Ames (24)	25,205	12	2	no	no	1999
Kris Kenmore (25)	23,723	7	1	no	no	1998
Tim Thistle (26)	24,818	2	1	no	no	1997
Velma (27)	20,936	5	1	no	no	1998
Fanny Farmer (28)	18,558	10	1	no	no	1997
Lara (29)	17,540	1	1	no	no	1999
Doris Doddie (30)	20,210	12	2	no	no	1998
Cole C. Crone (31)	18,969	13	2	no	no	1998
G. Gale Gilmore (32)	17,136	13	2	no	no	1997
Kellsey (33)	17,265	7	1	no	no	1999
Ollie O. Oval (34)	16,602	1	1	no	no	1999
Quick Q (35)	16,245	13	2	no	no	1999
I. Ike I. (36)	15,009	5	1	no	yes	1999
William (37)	16,663	2	1	no	no	1999
Ida Ion (38)	13,690	13	2	no	no	1997
X. Xerox (39)	12,823	10	1	no	no	1998
Ibid (40)	13,703	10	1	no	no	1999
Frank F. Fu (41)	11,365	5	1	no	no	1998

sponsor name and/or agreement # (represented by a name and number for purposes of this sample)	\$ amount claimed for reimbursement in 1999	total # of sites	# of sites required to review (10% total # of sites, or 1, whichever is greater)	new sponsor	deficiencies noted during most recent review	year of most recent review
Lila L. Lonstein (42)	14,360	1	1	no	no	1998
Q. Quinton Quayle (43)	5,534	7	1	no	no	1997
Annie Atkinson (44)	11,156	4	1	no	no	1998
P. Paul Preston (45)	10,781	2	1	no	no	1997
Paula Prine (46)	11,310	2	1	no	no	1998
Edna Enu (47)	9,063	1	1	no	no	1998
Orin Orange (48)	10,229	1	1	no	no	1997
Harry (49)	7,948	3	1	no	no	1998
Raul (50)	9,053	3	1	no	no	1999
U. Ulyssis U (51)	8,972	1	1	no	no	1997
Varsha Veroy (52)	9,742	1	1	no	no	1999
Zeke Zuckerman (53)	4,095	1	1	no	no	1999
Betty B. Brown (54)	7,195	1	1	no	no	1998
Xavier (55)	8,915	1	1	no	no	1997
Paul (56)	8,037	1	1	no	no	1999
Minnie M. Milroy (57)	6,225	5	1	no	no	1999
R. Roland Rodgers (58)	2,980	2	1	no	yes	1999
Nora (59)	5,126	1	1	no	no	1998
Wilma Washington (60)	5,921	2	1	no	no	1997
Ulibarri (61)	6,081	2	1	no	no	1999
Gale Gavinchi (62)	4,702	3	1	no	no	1998

Herman H. Humphreys (63)	5,686	1	1	no	no	1998
sponsor name and/or agreement # (represented by a name and number for purposes of this sample)	\$ amount claimed for reimbursement in 1999	total # of sites	# of sites required to review (10% total # of sites, or 1, whichever is greater)	new sponsor	deficiencies noted during most recent review	year of most recent review
S. Sue Smith (64)	4,445	3	1	no	no	1997
Uta Umi (65)	5,588	1	1	no	no	1998
Tanya T. Tudor (66)	4,820	8	1	no	no	1998
Vera V. VanDyke (67)	5,027	1	1	no	no	1998
Y. Yosomite Y (68)	3,876	2	1	no	no	1997
Z. Zeta Z (69)	4,056	1	1	no	no	1997
Betty Bensen (70)	3,242	1	1	no	no	1997
Nellie Needles (71)	2,865	1	1	no	no	1997
Lana Little (72)	2,062	1	1	no	no	1997
E. Ellie Elway (73)	2,260	1	1	no	no	1997
D. Dave Donohue (74)	2,104	1	1	no	no	1997
K. Karl Kirkpatrick (75)	1,775	2	1	no	no	1997
Ricky Ricardo (76)	2,004	2	1	no	no	1997
W. Wally Wilson (77)	1,655	5	1	no	no	1997
X. Xenophone X (78)	507	1	1	no	no	1997
Mickey Mouse (79)	711	1	1	no	no	1997
B. Barbara B. Bennett (80)	NA	5	1	yes	NA	NA
J. Jill J. Jennings (81)	NA	4	1	yes	NA	NA
G. George G. Gaffrey (82)	NA	3	1	yes	NA	NA
H. Haley H. Hodge (83)	NA	3	1	yes	NA	NA

K. Kiresten K. Kilbourne (84)	NA	3	1	yes	NA	NA
M. Michael M. Mortenson (85)	NA	3	1	yes	NA	NA

sponsor name and/or agreement # (represented by a name and number for purposes of this sample)	\$ amount claimed for reimbursement in 1999	total # of sites	# of sites required to review (10% total # of sites, or 1, whichever is greater)	new sponsor	deficiencies noted during most recent review	year of most recent review
D. Donald D. Davidson (86)	NA	2	1	yes	NA	NA
E. Eugene E. Erickson (87)	NA	2	1	yes	NA	NA
I. Indiana I. Illinois (88)	NA	2	1	yes	NA	NA
C. Christina C. Carenas (89)	NA	1	1	yes	NA	NA
F. Fred F. Freidman (90)	NA	1	1	yes	NA	NA
L. Lorie L. Lanier (91)	NA	1	1	yes	NA	NA

Cumulative meal reimbursement total for 1999: \$2,589,248.00
50 percent threshold (1/2 of cumulative total): \$1,294,624.00

**State Agency Sample Review List
SFSP 2000**

sponsor name and/or agreement # (represented by a name and number for purposes of this sample)	\$ amount claimed for reimbursement in 1999	total # of sites	# of sites required to review (10% total # of sites, or 1, whichever is greater)	new sponsor	deficiencies noted during most recent review	year of most recent review
Review every new sponsor at least once during the first year of operation [§225.7(d)(2)(ii)(A)]						
B. Barbara B. Bennett (80)	NA	5	1	yes	NA	NA
J. Jill J. Jennings (81)	NA	4	1	yes	NA	NA
G. George G. Gaffrey (82)	NA	3	1	yes	NA	NA
H. Haley H. Hodge (83)	NA	3	1	yes	NA	NA
K. Kiresten K. Kilbourne (84)	NA	3	1	yes	NA	NA
M. Michael M. Mortenson (85)	NA	3	1	yes	NA	NA
D. Donald D. Davidson (86)	NA	2	1	yes	NA	NA
E. Eugene E. Erickson (87)	NA	2	1	yes	NA	NA
I. Indiana I. Illinois (88)	NA	2	1	yes	NA	NA
C. Christina C. Carenas (89)	NA	1	1	yes	NA	NA
F. Fred F. Freidman (90)	NA	1	1	yes	NA	NA
L. Lorie L. Lanier (91)	NA	1	1	yes	NA	NA
\$ amount claimed for reimbursement for above sponsors: NA						

sponsor name and/or agreement # (represented by a name and number for purposes of this sample)	\$ amount claimed for reimbursement in 1999	total # of sites	# of sites required to review (10% total # of sites, or 1, whichever is greater)	new sponsor	deficiencies noted during most recent review	year of most recent review
Review every sponsor at least once every 3 years [§225.7(d)(2)(ii)(D)]						
Abington (6)	82,969	23	3	no	no	1997
Zena (7)	77,791	6	1	no	no	1997
Jenson (10)	66,008	11	2	no	no	1997
Foshko (16)	37,509	1	1	no	no	1997
Yuri (17)	37,700	1	1	no	no	1997
Jean Jacoby (22)	32,592	3	1	no	no	1997
Tim Thistle (26)	24,818	2	1	no	no	1997
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Q. Quinton Quayle (43)	5,534	7	1	no	no	1997
P. Paul Preston (45)	10,781	2	1	no	no	1997
Orin Orange (48)	10,229	1	1	no	no	1997
U. Ulyssis U (51)	8,972	1	1	no	no	1997
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S. Sue Smith (64)	4,445	3	1	no	no	1997
Y. Yosomite Y (68)	3,876	2	1	no	no	1997

sponsor name and/or agreement # (represented by a name and number for purposes of this sample)	\$ amount claimed for reimbursement in 1999	total # of sites	# of sites required to review (10% total # of sites, or 1, whichever is greater)	new sponsor	deficiencies noted during most recent review	year of most recent review
Review every sponsor at least once every 3 years (continued) [\$225.7(d)(2)(ii)(D)]						
Z. Zeta Z (69)	4,056	1	1	no	no	1997
Betty Bensen (70)	3,242	1	1	no	no	1997
Nellie Needles (71)	2,865	1	1	no	no	1997
Lana Little (72)	2,062	1	1	no	no	1997
E. Ellie Elway (73)	2,260	2	1	no	no	1997
D. Dave Donohue (74)	2,104	2	1	no	no	1997
K. Karl Kirkpatrick (75)	1,775	2	1	no	no	1997
Ricky Ricardo (76)	2,004	2	1	no	no	1997
W. Wally Wilson (77)	1,655	5	1	no	no	1997
X. Xenophone X (78)	507	1	1	no	no	1997
Mickey Mouse (79)	711	1	1	no	no	1997
\$ amount claimed for reimbursement for above sponsors: \$490,685.00						

sponsor name and/or agreement # (represented by a name and number for purposes of this sample)	\$ amount claimed for reimbursement in 1999	total # of sites	# of sites required to review (10% total # of sites, or 1, whichever is greater)	new sponsor	deficiencies noted during most recent review	year of most recent review
Annually review every sponsor which experienced significant operational problems in the prior year [§225.7(d)(2)(ii)(C)]						
N. Norma Nugent (2)	232,611	18	2	no	yes	1999
Eunice (4)	113,888	34	4	no	yes	1999
Yolanda Y. (14)	34,534	20	2	no	yes	1999
Gloria (20)	32,325	4	1	no	yes	1999
I. Ike I. (36)	15,009	5	1	no	yes	1999
R. Roland Rodgers (58)	2,980	2	1	no	yes	1999
\$ amount claimed for reimbursement for above sponsors: \$431,347.00						

SUBTOTAL of dollar value claimed for reimbursement for operationally deficient sponsors and sponsors who were reviewed as part of the three-year review cycle: \$922,032.00 (36 % of cumulative meal reimbursement total)

sponsor name and/or agreement # (represented by a name and number for purposes of this sample)	\$ amount claimed for reimbursement in 1999	total # of sites	# of sites required to review (10% total # of sites, or 1, whichever is greater)	new sponsor	deficiencies noted during most recent review	year of most recent review
Additional sponsor reviews needed to meet 50% threshold [225.7(d)(2)(ii)(B)]						
Bob (1)	650,264	129	13	no	no	1998
\$ value of reviews for operationally deficient sponsors and as part of the three-year review cycle plus additional review(s) to meet 50% threshold: \$1,572,296.00**						

SUMMARY

Cumulative meal reimbursement total for 1999: \$2,589,248.00

50 percent threshold total (1/2 of cumulative total): \$1,294,624.00

Subtotal of dollar value claimed for reimbursement for operationally deficient sponsors and sponsors who were reviewed as part of the three-year review cycle: \$922,032.00*

Dollar value of reviews for operationally deficient sponsors and as part of the three-year review cycle plus additional review(s) to meet 50 percent threshold (922,032.00 + 650,264.00) : \$1,572,296.00**

Total number of sites visited: 70

***figure = 36 % of cumulative meal reimbursement total**

****figure = 61% of cumulative meal reimbursement total**